

Rule changes should ease applying for USDA co-op grant programs

By Peter Thomas, USDA

USDA Rural Development's Cooperative Programs experienced another successful year in 2005, and I hope your co-ops did too. As we begin 2006, I want to discuss some changes in a couple of our funding programs that help agricultural cooperatives in rural America: the Value-Added Producer Grant (VAPG) and Rural Development Cooperative Grant (RCDG) programs. Due to increased Congressional support for fiscal 2006, the VAPG program was appropriated \$19.5 million, the RCDG program received \$4.5 million and an additional \$1.5 million was appropriated to assist minority producers.

Rural Development is making changes to both programs in an effort to make them more accessible and to improve their overall administration. These changes were developed from applicant input, which included surveys and teleconferences regarding program requirements and administration. Comments from Rural Development field office employees were also considered, as they work directly with the program applicants.

One of the most immediate changes in the Value-Added application process is the opening of the application window. The application window opened Dec. 21, 2005, and will close March 31, 2006. Not only does this provide producers with an extended application

period, the window was timed to meet the demanding time schedule of agricultural producers.

In past years, this process began during the spring, with applications due during the summer. However, this year it was published during the winter, when most producers are not in the middle of their planting or harvesting.



Idaho wheat and barley straw may someday be processed into ethanol, aided by a VAPG from USDA Rural Development. For more on this project, see page 30. Photo by Maurice Hladik

For the first time ever, USDA Rural Development has also established procedures to allow applicants who submit substantially complete applications by the deadline to submit any forgotten or incomplete items after the application deadline. An electronic application template is also available to assist applicants in submitting a complete application. Our goal is to have a significantly higher percentage of completed applications, ensuring that all eligible projects have the opportunity to compete for these critically important grants.

Based upon applicant feedback, we also increased the maximum amount of grant award for working-capital funds, from \$150,000 to \$300,000. In addition, a separate allocation of funds up to \$1.5 million is available for grant requests of \$25,000 or less. These grants are designed to assist agricultural producers who need just a few dollars to aid in their value-added venture.

Many of the same positive changes made in the Value-Added program will be introduced in the Rural Cooperative Development Grant program. Once again, based upon applicant feedback, we intend to open the FY 2006 Rural Cooperative Development Grant program application process much earlier in the fiscal year.

We will also introduce procedures to allow applicants who submit substantially complete applications by the deadline to submit any forgotten or incomplete items after the

application deadline and will make an electronic application template available. Much of the duplication of program requirements that appeared in previous applications has been eliminated.

We believe these changes will significantly improve the application process and allow for the awarding of more grants. As always, our state and national office staffs are available to answer any questions. Happy New Year, and best wishes for a healthy and successful 2006.

